

HUMAN RESOURCE MANAGEMENT

UNIT – 1

DEFINITION OF MANAGEMENT

According to Henry Fayol

“To management is to forecast and plan, to organise, to command, to co – ordinate, and to control.”

DEFINITION OF HUMAN RESOURCE MANAGEMENT

According to Dale Yoder, “ Human resource or manpower management effectively describes the process of planning and directing the application, development and utilisation of human resources in employment”

MEANING

Human resource management (HRM) is a tactical approach which deals with acquisition, training and development, orientation, motivation and retention of personnel in an organization. It is a powerful tool for any organization to succeed. It is a continuous and never-ending process.

NATURE OF HUMAN RESOURCE MANAGEMENT (HRM)

Human resource management (HRM) is an inevitable part of every organization. It is crucial to have an in-depth knowledge of HRM to realise organizational goals and simultaneously creating a happy and contented workforce.



1. **Pervasive Function:** HRM is practised at all levels of management and applies to all kinds of organizations, even to non-profit organizations.

2. **Result Oriented:** It aims at achieving organizational objectives through the optimum utilisation of human resources.
3. **Tactful Approach:** HRM deals with the people who are distinct from one another; thus the manager needs to apply different strategies at different point of time and in different situations.
4. **People-Centric:** Human resource management is concerned majorly with the employees working in an organization.
5. **Integrative Action:** It focusses on maintaining cordial relations among the employees at different levels and also addresses employee grievances.
6. **Continuous Process:** HRM is an ongoing process of procurement, development and redirection of personnel towards the organizational goals. It cannot be completed in a day, a week or a month.

CHARACTERISTICS OF HUMAN RESOURCE MANAGEMENT



1. **HRM recruits:** Human resource management (HRM) recruits/hires people to fill up the vacant positions of the organization.
2. **Tests and interviews:** HRM take various tests and interviews to select people.
3. **Communicate with top management:** HRM tries to communicate with top management in helping to formulate strategies to achieve organizational goal.
4. **Arranges training:** HRM gives or arranges training programs to improve the skills of the employees.
5. **Evaluates the performance:** HRM evaluates the performance of the employees. On this basis he gives promotion.
6. **Exit interview:** HRM takes exit interview when an employee quits his job
7. **Collect various suggestions:** HRM tries to collect various suggestions from the employees.
8. **Helps organization's top management to implement various techniques:** HRM helps the organizational top management in implementing various techniques to help the organization to go ahead
9. **Arrange various workshops:** HRM can arrange various workshops to increase the knowledge of the employees.
10. **Arranges meetings:** HRM arranges various meetings and seminars to discuss the problems that the employees face in the organization.
11. **Takes various precautions:** HRM takes various precautions to prevent negligent hiring.
12. **Gives job specification of employee:** HRM gives the job specification of every employee and the requirements that an employee need to do it.
13. **Does job enrichment:** HRM does various job enrichment, job rotation, job enlargement and motivates the employees.
14. **Develop the relationship between labor and management:** HRM gives support to develop and maintain cordial relationship it's between labor and management.

OBJECTIVES OF HUMAN RESOURCE MANAGEMENT (HRM)

The primary aim of human resource management (HRM) is to meet the human capital requirement of an organization. Further, we will discuss four other vital objectives of HRM:



1. **Societal Objectives:** HRM is essential to comply with the laws of the society such as labour law or reservation system. It is obligatory for any organization to fulfil its ethical and social responsibilities which can be done only through HRM.
2. **Organizational Objectives:** In an organization, human resource management is not an independent unit, but it is a department which aims at facilitating the other departments of the organization to function smoothly.
3. **Functional Objectives:** HRM ensures that every department is supplemented with the employees possessing the required set of skills and talent, at the desired cost. It also provides for the optimum utilization of the human capital.
4. **Personal Objectives:** To ensure employee's long-term association with the organization and to enhance employee's commitment and contribution towards the organization, HRM helps the employees to reach their personal goals.

PRINCIPLES OF HUMAN RESOURCE MANAGEMENT

1. **Principle of individual development** – to offer full and equal opportunities to every employee to realize his/her full potential.
2. **Principle of scientific selection** – to select the right person for the right job.
3. **Principle of free flow of communication-** to keep all channels of communication open & encourage upward, downward, horizontal, formal & informal communication.

4. **Principle of participation** – to associate employee representatives at every level of decision making.
5. **Principle of fair remuneration**- to pay fair & equitable wages & salaries commiserating with jobs.
6. **Principle of incentive** – to recognize and reward good performance.
7. **Principle of dignity of labour** – to treat every job holder with dignity and respect.
8. **Principle of labour management co-operation** – to promote cordial industrial relations.
9. **Principle of team spirit** – to promote co-operation & team spirit among employees.
10. **Principle of contribution to national prosperity** – to provide a higher purpose of work to all employees and to contribute to national prosperity.

SCOPE OF HUMAN RESOURCE MANAGEMENT



1. **EMPLOYEEES HIRING:** The practice of finding, evaluating, and establishing a working relationship with future employees, interns, contractors or consultants. You can't make a decision about adding employees without knowing what it's going to cost to hire them.
2. **REMUNERATION**
The process involves deciding upon salaries and wages, Incentives, Fringe Benefits and Perquisites etc. Money is the prime motivator in any job and therefore the importance of this process. Performing employees seek raises, better salaries and bonuses.

3. EMPLOYEE MOTIVATION

Employee motivation is the level of energy, commitment, and creativity that a company's workers bring to their jobs. Whether the economy is growing or shrinking, finding ways to motivate employees is always a management concern.

4. EMPLOYEE MAINTAINENCE

Employee Maintenance refers to the maintenance of employee master data. Allows the management of employee data such as contact information, cost involved and share of compound costs

5. INDUSTRIAL RELATIONS

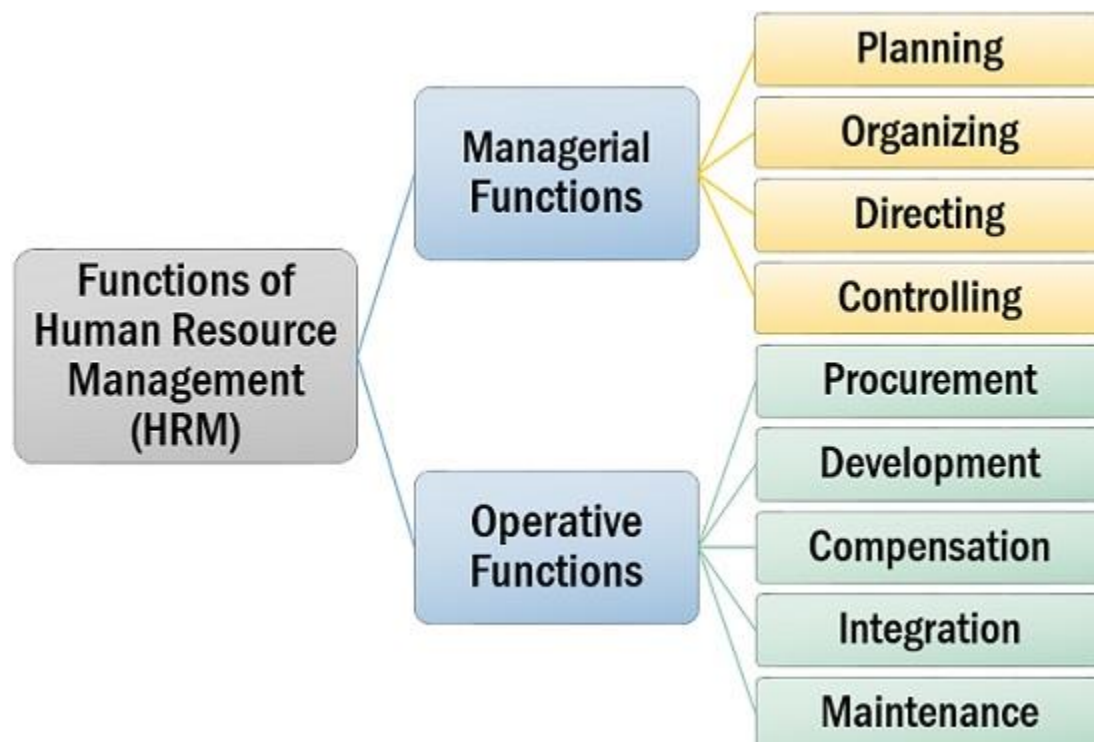
Industrial relation is defined as relation of Individual or group of employee and employer for engaging themselves in a way to maximize the productive activities.

6. EMPLOYEE PROSPECTS

The future job prospects indicator compares future number of job openings in a particular occupation to total employment in that occupation

FUNCTIONS OF HUMAN RESOURCE MANAGEMENT (HRM)

Human resource management (HRM) is a systematic approach to fill in the gap between the organization and its employees. To simplify the task of managing the human capital of the organization, various functions of HRM have been developed. These functions are categorized broadly as:



MANAGERIAL FUNCTIONS

Human resource management is essential at all levels of an organization. The top management is responsible for forming strategies and giving directions for the successful application of such plans. In the process, they perform the following functions:

1. **Planning:** Firstly, the management must be aware of the vacant positions or workforce requirement of the organization. Then, they need to formulate the strategies for meeting the requirements.
2. **Organizing:** The manager has to establish a framework for the operative functions, bringing together the human resources and physical resources available with the organization.
3. **Directing:** Once the framework is ready, the manager instructs and guides the team to work accordingly, to meet the organizational objective.
4. **Controlling:** The management predefines the standard for performance, and later analyses the results based on such criteria through performance appraisal (judgment) and job analysis. The management has to take corrective measures if necessary.

OPERATIVE FUNCTIONS

The operative functions are those which are taken on the departmental level or middle level and mainly concerned about the execution of the plans and strategies formulated at the managerial level. To know more about the different operative functions, read below:

Procurement: The achievement of human resource is the primary function of a manager. It involves the estimation of personnel requirement, recruitment and selection of suitable candidates, placement and orientation of the workforce in the right position.

Development: To develop the required skills and talent within the employees, the managers have to use various training techniques.

Compensation: Compensation in the form of remuneration, given to employees instead of their services to the organization should be adequate and fair. The employees are liable to get other benefits such as a bonus or incentives.

Integration: Integration means making the new employees familiar with the organization and to their task or process. It introduces them to the organizational environment and their colleagues.

Maintenance: The most important of all is the retention of the employees which requires providing them with various benefits and facilities like PF, life insurance, accidental insurance, health insurance, pension, bonus, allowances and taking other health and safety measures.

FUNCTIONS OF PERSONNEL MANAGEMENT

Manpower Planning

Manpower Planning which is also called as Human Resource Planning consists of putting right number of people, right kind of people at the right place, right time, doing the right things for which they are suited for the achievement of goals of the organization. Human Resource Planning has got an important place in the arena of industrialization. Human Resource Planning has to be a systems approach and is carried out in a set procedure.

The procedure is as follows:

- Analyzing the current manpower inventory
- Making future manpower forecasts
- Developing employment programmes
- Design training programmes

Recruitment

The process of finding and hiring the best-qualified candidate (from within or outside of an organization) for a job opening, in a timely and cost effective manner. The recruitment process includes analyzing the requirements of a job, attracting employees to that job, screening and selecting applicants, hiring, and integrating the new employee to the organization.

Selection

Selection is the process of picking or choosing the right candidate, who is most suitable for a vacant job position in an organization.

Training and Development

Training refers to a systematic setup where employees are instructed and taught matters of technical knowledge related to their jobs. It focuses on teaching employees how to use particular machines or how to do specific tasks to increase efficiency.

Development refers to the overall holistic and educational growth and maturity of people in managerial positions. The process of development is in relation to insights, attitudes, adaptability, leadership and human relations.

IMPORTANCE OF HUMAN RESOURCE MANAGEMENT (HRM)

Over the years, human resource management (HRM) has gained importance in the business sector, as well as the non-profit organizations. Human capital is equally important as the financial capital is to an organization, since 'people perform a task'.

Importance of Human Resource Management



1. **Fulfil the Human Resource Requirement:** Human resource management fills in the gap between the vacancies in the organization and the suitable candidates for such positions.
2. **Employee Retention:** HRM not only functions to acquire the manpower but also concentrates on the maintenance and retention of the human capital.
3. **Enhance the Quality of Work Life:** It focusses on the continuous enhancement of the job facilities, hence improving the quality of employee's work life.
4. **Redressing Grievance and Conflict:** HRM addresses the problems among employees or with the management since it is essential for any organization to resolve its internal conflicts and grievances to ensure a sound and co-operative work environment.
5. **Achieving Organizational Goals:** To reach the set objectives and targets on time, it is necessary to direct the employee's efforts towards the organizational goals. All this is possible only through the practice of human resource management.
6. **Long-term Existence in the Market:** As we all know that employees are the expected part of any organization, therefore to survive in the competition, it is very important that the organization brings HRM into functioning.

7. **Developing Team Spirit and Feeling of Belongingness:** It brings together the different employees as a team to accomplish the goals of the organization. HRM also make the employees feel valuable to the organization.
8. **Employee Satisfaction and Welfare:** HRM works for the welfare, safety and security of the organization. It is majorly concerned about the level of satisfaction derived by an employee from his job.

CHALLENGES OF HUMAN RESOURCE MANAGEMENT (HRM)

The human resource managers go through many obstacles in the management and development of human resource, all due to the emergence of new technology and the changing of political and socio-economic conditions. To get an overview of these challenges, read further:



1. **Growing Employee Expectations:** With the learning of new skills and better qualification, the employee's expectations keep on increasing, and at times it is difficult for managers to meet such high expectations.
2. **Growing Size of Workforce:** With the growth of any organization, the workload increases and the number of employees also multiply. This leads to the excessive workload on the human resource manager and the HR team.

3. **Emergence of New Technology:** The technological advancement has though simplified the business process but has emerged as a challenge in front of the managers to either provide training to their old staff or seek for the new talent.
 4. **Internal Politics:** Sometimes, the human resource manager has to face situations where employees either mislead or influence other employees to restrict them from performing their task if the problem pertains the organization may experience employee turnover or resignations.
 5. **Human Psychology:** HRM somehow deals with human psychology and its impact on the business which is a complex system and unlike the problems related to other physical resources and assets, have no particular solution.
 6. **Changes in Law and Regulations:** To safeguards the interest of employees, government bring in specific rules and regulations which have to be followed by organizations. At times, it is difficult for the HR manager to stay to such laws.
 7. **Maintenance of Human Relations:** A human resource manager not only acts as a mediator between the management and the employees but also tries to maintain a friendly relationship among the two, which requires a lot of plans and skill.
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UNIT 2

HR PLANNING

DEFINITION

“The process of determining manpower requirements and the means for meeting those requirements to carry out the integrated plan of the organization.” – **Bruce P. Coleman**

Dale S. Beach has defined it as “a process of determining and assuring that the organisation will have an adequate number of qualified persons available at the proper times, performing jobs which meet the needs of the enterprise and which provide satisfaction for the individuals involved.”

NEED FOR HUMAN RESOURCE PLANNING

Shortage of Skills: These days we find shortage of skills in people. So it is necessary to plan for such skilled people much in advance than when we actually need them. Non-availability of skilled people when and where they are needed is an important factor which prompts sound Human Resource Planning.

Frequent Labor Turnover: Human Resource Planning is essential because of frequent labor turnover which is unavoidable by all means. Labor turnover arises because of discharges, marriages, promotion, transfer etc which causes a constant go out and flow in the workforce in the organisation.

Changing needs of technology: Due to changes in technology and new techniques of production, existing employees need to be trained or new blood injected into an organisation.

Identify areas of surplus or shortage of personnel: Manpower planning is needed in order to identify areas with a surplus of personnel or areas in which there is a shortage of personnel. If there is a surplus, it can be reorganizing, or if there is a shortage new employees can be procured.

Changes in organization design and structure: Due to changes in organisation structure and design we need to plan the required human resources right from the beginning.

FEATURES OF HUMAN RESOURCE PLANNING

It is future oriented: Human Resource Planning is forward-looking. It involves forecasting the manpower needs for a future period so that sufficient and timely provisions may be made to meet the needs.

It is a continuous process: Human Resource Planning is a continuous process because the demand and supply of Human Resource keeps changeable throughout the year. Human Resource Planning has to be evaluating according to the needs of the organisation and changing environment.

Integral part of Corporate Planning: Manpower planning is an integral part of corporate planning because without a corporate plan there can be no manpower planning.

Optimum utilization of resources: The basic purpose of Human Resource Planning is to make optimum utilization of organisation's current and future human resources.

Both Qualitative and Quantitative aspect: Human Resource Planning considers both the qualitative and quantitative aspects of Human Resource Management, 'Quantitative' meaning the right number of people and 'Qualitative' implying the right quality of manpower required in the organisation.

Long term and Short term: Human Resource Planning is both Long-term and short-term in nature. Just like planning which is long-term and short-term depending on the need of the hour, Human Resource Planning keeps long-term goals and short-term goals in view while predicting and forecasting the demand and supply of Human Resource.

Involves study of manpower requirement: Human Resource Planning involves the study of manpower availability and the manpower requirement in the organisation.

FACTORS OF HRP

Employment : HRP is affected by the employment situation in a country. In countries where there is greater unemployment; there may be more pressure on the company from the government to appoint more people.

Technical changes in society : Technology changes at a very fast speed and new people having the required knowledge are required for the company.

Organizational changes : Changes take place within the organization from time to time.

Economic factors : How much money is available for salaries, training and equipment is the most immediate concern in human resource planning. However, external economics play an equally critical role.

Social factors : Social factors may influence the organization's HR planning. Where there is a clear discrepancy of one social group, it's a good idea to build in ways of opening up new opportunities.

Technological factors : New technology brings new skills requirements, so companies always need to be aware of proficiencies and training needs when planning human resources. New products and services also may require recruiting highly skilled employees or training existing employees to meet the need.

Legal factors : Employment law is the most significant sector of the legal system that affects human resource planning, and it changes all the time. HR managers must keep themselves up to date, and have an employment law specialist available to consult if necessary. Employment law changes must be reflected in company policy.

Environmental factors : Environmental factors might include where the business is located in relation to finding sufficient appropriate staff or changes to the environment that mean a need for more or fewer employees.

Labor market : Labor market comprises people with skills and abilities that can be tapped as and when the need arises. Although Bangladesh is a country with surplus labor, there is a

shortage of skilled people. We should take measures to make more skilled workers available in the country. When one talks about labor supply, the following deserve due consideration: the size, age, gender and educational composition of the population, the demand for goods and services in the country, the nature of production technology and employability of the people.

STEPS IN HR PLANNING



Fig. 5.3 Steps in Human Resource Planning

1. Analysing Organizational Objectives: The objective to be achieved in future in various fields such as production, marketing, finance, expansion and sales gives the idea about the work to be done in the organization.

2. Inventory of Present Human Resources: From the updated human resource information storage system, the current number of employees, their capacity, performance and potential can be analysed. To fill the various job requirements, the internal sources (i.e., employees from within the organization) and external sources (i.e., candidates from various placement agencies) can be estimated.

3. Forecasting Demand and Supply of Human Resource: The human resources required at different positions according to their job profile are to be estimated. The available internal and external sources to fulfill those requirements are also measured. There should be proper matching of job description and job specification of one particular work, and the profile of the person should be suitable to it.

4. Estimating Manpower Gaps: Comparison of human resource demand and human resource supply will provide with the surplus or deficit of human resource. Deficit represents the number of people to be employed, whereas surplus represents termination. Extensive use of proper training and development programme can be done to upgrade the skills of employees.

5. Formulating the Human Resource Action Plan: The human resource plan depends on whether there is deficit or surplus in the organization. Accordingly, the plan may be finalized either for new recruitment, training, interdepartmental transfer in case of deficit or termination, or voluntary retirement schemes and redeployment in case of surplus.

6. Monitoring, Control and Feedback: It mainly involves implementation of the human resource action plan. Human resources are allocated according to the requirements, and inventories are updated over a period. The plan is monitored strictly to identify the deficiencies and remove it. Comparison between the human resource plan and its actual implementation is done to ensure the appropriate action and the availability of the required number of employees for various jobs.

JOB ANALYSIS

According to Jones and Decothis “Job analysis is the process of getting information about jobs: specially, what the worker does; how he gets it done; why he does it; skill, education and training required; relationship to other jobs, physical demands; environmental conditions”.

Purpose or Objectives of Job Analysis

- To determine efficient and effective method to execute a job
- To improve job satisfaction of employees
- To identify the needs of training and the core areas on which training should be given
- To develop a performance measurement system
- To match specification of employees with the job role they are offered during selection process.
- To provide standardized way to calculate the job compensation.
- To avoid ambiguity regarding the job duties and responsibilities of employee.

Benefits and Importance of Job Analysis

Human Resource Planning: Job analysis provides information such as how many employees which specific skill set is required to perform the job. This information is very necessary for human resource planning.

Recruitment and Selection: A right person for right job is the objective of recruitment system. The job analysis provides information about the behavioral and personal attributes of the employees which can be utilized to make hiring process more effective.

Training and Development: The information regarding the skills and knowledge required to perform a job is gathered through job analysis. Thus, based on job analysis organization can design relevant and appropriate training and development program for employees.

Placement and Orientation: When HR department links the skill set of employees, with the job to be assigned it gets easier to make placement decision. The skill set required for a particular job is acquired through job analysis. It also provides information regarding the orientation required for new employee in order to perform well in the assigned job.

Job Evaluation: The relative worth of a job and the appropriate salary structure of the job is determine in the job evaluation with the help of information provided by job analysis.

Performance Appraisal: The job standards are established using job analysis. These job standards are utilize to rank the employees based on their performance and further carry out the performance appraisal process.

Personnel Information: All the records of as Human Resource Information System (HRIS) are boasted using job analysis. It helps to improve the efficiency of administration and supports the decision making system of the organization.

Health and Safety: Lastly the information regarding the working condition of a job is provided by job analysis. This information is used to create a safe and healthy work environment for the employees.

JOB ANALYSIS TOOLS

Job analysis is very complicated process and thus HR managers have to take help of different tools to for analysis. Here is a list of job analysis tools which can be used to get accurate end results-

O*Net Model : It helps to simultaneously list the job related data of different jobs. This tool is very useful in collecting the initial data of employees such as education qualification, mental and emotional state, and physical requirements. It also directly links job analysis with compensation and benefits of the prospective candidate for a particular job.

FJA Model: The model stands for Functional Job Analysis. This tool is useful in determining the complex responsibilities and duties of the employee. It is based on work oriented approach and provides scores to the jobs stating their work complexity.

PAQ Model: This is Position Analysis Questionnaire. Here the questionnaires are filled by supervisor and the employee. It is designed by trained and experienced job analyst.

Competency Model: This model consists of skills, abilities, knowledge, behavior, performance and expertise of employee. It is very helpful to understand the prospective candidate at the time of entry and provide a particular designation to the employee. It also has basic elements regarding qualification, education, training, experience certificate, legal requirements and willingness of candidate

Job Scan: This technique works on personality dynamics. It is a ideal job model suggested which does not discuss the individual competencies however it provides a practice necessary to performer specific job.

JOB ANALYSIS PROCESS & STEPS



Organizational Job Analysis: The pertinent information regarding the job is obtained at organizational level. It is critical to know what is the performance level organization is looking forward from the job holder and the contribution of the job in the goal attainment of organization. The job related information is then used to create an organizational chart. It consists of different job classes, flow charts, flow of job activities and sharing points of different job profiles.

Selecting Representative Jobs for Analysis: It is important to understand that analysis of jobs of organization is bit time consuming and costly affair. Thus, only some sample jobs are selected in order to carry out the detailed job analysis.

Collection of Data for Job Analysis: The information related to different features of job and the abilities required to execute the job is collected from the organization. The job analysis tools such as observation, interviews, and questionnaire are used for the collection of data.

Preparing Job Description: Based on the collected data the HR team prepares job description by defining the tasks, duties and responsibilities which are discharged for the effective performance.

Preparing Job Specification: The job specification is prepared which consist of the personal traits, skills, qualities and qualification which are required to perform the job properly.

JOB ANALYSIS METHODS & TECHNIQUES

Personal observation : In this method an observer is appointed by the organization to keep a watch on the individuals which performing the job. The observer then creates extensive list of task performed and the qualities of the individual which are utilized which executing the task. This method is useful but it does not work under certain condition. The task executed might be

different every day and thus it is difficult to draw a conclusion based on few days of personal observation.

Actual execution of the job : The job analyzer can actually perform the job to get information about the skill requirement, difficulty while performing the job and efforts required to finish the given task.

Interview method : The information is collected about the job with the help of interviews of employees and their supervisors. The questions related to the skill level required, the task, the preparations needed to perform the job are asked during the interview. Although it is a time consuming technique it works well to gather information about the job.

Questionnaires method : This is one of the least costly methods which can be used to collect data for job analysis. A well-designed and easy to understand questionnaires can be very useful to collect information regarding job in a short period of time. Multiple choice questions as well as open ended questions can be designed to understand the views of employees towards their job. The only drawback of this method is more number of incomplete forms and inaccurate information given by the employees about their job profile can lead into failure of job analysis.

Log records and HR records : The log record book created by the employee about their daily activities in the office is very useful type of job data. The records are extensive in nature and thus provide fair idea regarding the responsibilities and duties linked to the job. In a similar way the HR record can also be used as job data.

Computerized Job Analysis : With the help of information communication technology, computerized job analysis systems are developed by researchers. Specificity of data is a significant attribute of computerized job Analysis. Job analysis database is created by compiling all the specific data together. It takes less effort and time to write job descriptions using computerized job analysis system. The job descriptions created using this method are quite accurate and linked with compensation system.

JOB DESCRIPTION

MEANING

Job description is an informative documentation of the scope, duties, tasks, responsibilities and working conditions related to the job listing in the organization through the process of job analysis.

IMPORTANCE OF JOB DESCRIPTION

- Job description is the most important thing which a candidate gets about a job listing.
- Job description gives all the relevant and necessary details about a job.
- The details which can help one decide whether the job is relevant or not.
- Qualifications, roles, responsibilities etc are included in the job description document which paints a clear picture of what is expected from the particular role.

JOB DESCRIPTION COMPONENTS



1. Roles and responsibilities of the job.
2. Goals of the organization as well the goals to be achieved as a part of the profile are mentioned in the job description.
3. Qualifications in terms of education and work experience required have to be clearly mentioned.
4. Skill sets like leadership, team management, time management, communication management etc required to fulfill the job
5. Salary range of the job are mentioned in the job description

JOB SPECIFICATION



Educational qualification: This part covers the desired education of the candidate. Specific terms, such as graduate, post graduate can be used here. The stream of education should be mentioned, along with the necessary grades which are required. Many companies also provide notes in terms of over qualification like- MBA are not required or graduates should not apply in the job specification.

Experience: Job specification should clearly highlight the required experience in a precise domain to perform the job. It includes details such as experience required in which industry, number of years of experience, position and domain. For the higher job profile managerial or team handling experience is often required by the organization.

Skills & Knowledge: This section explains the skills such as communication skills, leadership quality, team management and many more which are necessary for the given job role. The term knowledge includes market knowledge, domain knowledge, computer language knowledge based on the profile.

Personality traits and characteristics: Here a situational based traits and characteristics are covered. The way the person should handle the complex situation in the organization, generic behavior of the candidate is covered in this section. The emotional intelligence has also given importance in this section of job specification.

STEPS TO WRITE THE JOB SPECIFICATION OR JOB SPEC

Step I- Check the job role and decide the educational qualification required to perform the duty. One should check the nature of job, its importance and the background which will be helpful to work on the job.

Step II- The job title and position provides brief idea about the duration of experience required to perform the job. Once the experience of domain work is certain, one should look for other experience such as managerial, client handling, as a service provider, grievances handling which are required for long term performance of the job.

Step III- Along with the qualification and experience there are certain skills which are essential to perform the assigned job duties. The skills and knowledge which are mentioned as mandatory in the job specification are often verified during the selection process by the HR department.

Step IV- The situational intelligence, emotional stability, personality traits and attributes should be mentioned in the job specification. It also includes general and mental health, aptitude, judgment, memory, adaptability, values flexibility, and ethics.

Step V- Once all the four components are well defined in the job specification, it is necessary to verify the job specification with the help of people working the domain. Generally the reporting manager of the profile approves the drafted job specification.

Step VI- Once the job specification is approved it is circulated among the HR department to add it in the official documents.

PURPOSE OF JOB SPECIFICATION

1. To help the candidates to analyze whether they are eligible to apply for a vacancy or not
2. To help the recruiting team in the selection process of the candidate
3. To document information about the job role and the skills required to complete the job
4. To document the goals set for the job and the situational behavior expected from the employee working on the job.
5. It is extremely essential to create a right fit between the job and the talent. The job specification is key to achieve this right fit. The job specification is useful to both applicant and the organization.

OBJECTIVES OF JOB SPECIFICATION

1. To highlight the specific details essential to perform the task at its best
2. To provide a framework to HR manager to identify the best prospects
3. To help the recruitment team in screening the resumes of the applicant
4. To verify the performance of the employee during appraisal and promotion

RECRUITMENT

Meaning:

Recruitment is a positive process of searching for prospective employees and stimulating them to apply for the jobs in the organisation. When more persons apply for jobs then there will be a scope for recruiting better persons.

Definition:

- **According to Edwin B. Flippo,** “It is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation.” He further elaborates it, terming it both negative and positive.

PROCESS OF RECRUITMENT:

- ✚ Searching out the sources from where required persons will be available for recruitment. If young managers are to be recruited then institutions imparting instructions in business administration will be the best source.
- ✚ Developing the techniques to attract the suitable candidates. The goodwill and reputation of an organisation in the market may be one method. The publicity about the company being a professional employer may also assist in stimulating candidates to apply.
- ✚ Using of good techniques to attract prospective candidates. There may be offers of attractive salaries, proper facilities for development, etc.
- ✚ The next stage in this process is to stimulate as many candidates as possible to apply for jobs. In order to select a best person, there is a need to attract more candidates.

Sources of Recruitment:

The eligible and suitable candidates required for a particular job are available through various sources. These sources can be divided into two categories, as shown in Figure

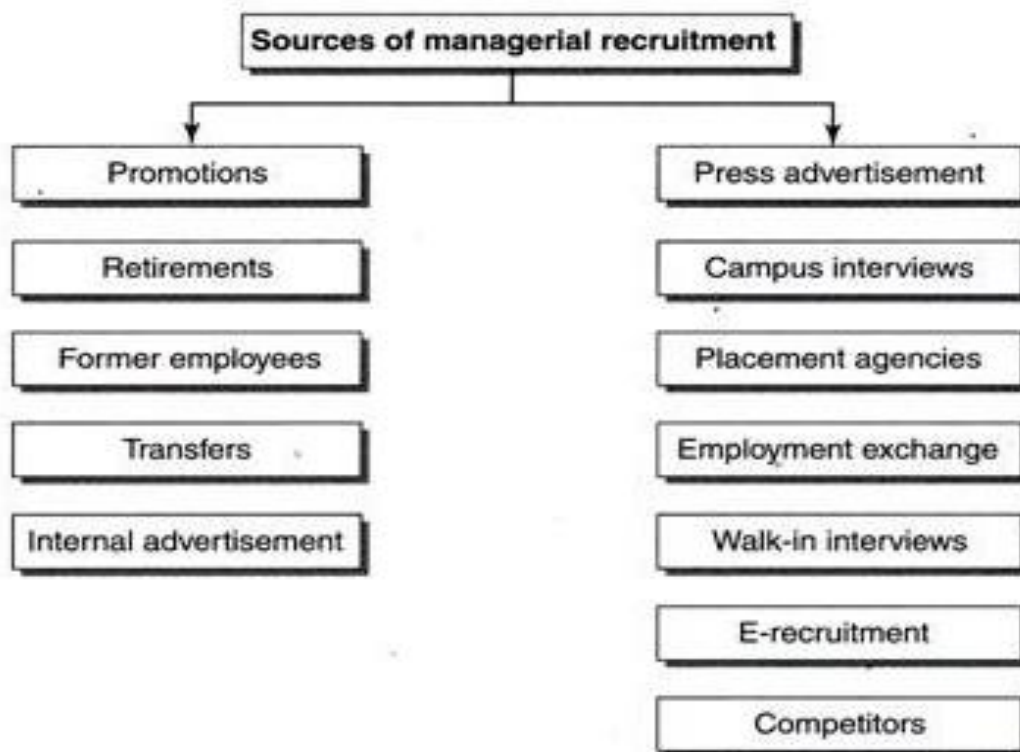


Fig. 5.5 Sources of Recruitment

Internal Sources of Recruitment:

1. Promotions:

The promotion policy is followed as a motivational technique for the employees who work hard and show good performance. Promotion results in enhancements in pay, position, responsibility and authority. The important requirement for implementation of the promotion policy is that the terms, conditions, rules and regulations should be well-defined.

2. Retirements:

The retired employees may be given the extension in their service in case of non-availability of suitable candidates for the post.

3. Former employees:

Former employees who had performed well during their tenure may be called back, and higher wages and incentives can be paid to them.

4. Transfer:

Employees may be transferred from one department to another wherever the post becomes vacant.

5. Internal advertisement:

The existing employees may be interested in taking up the vacant jobs. As they are working in the company since long time, they know about the specification and description of the vacant job. For their benefit, the advertisement within the company is circulated so that the employees will be intimated.

Benefits of Internal Sources of Recruitment:

1. The existing employees get motivated.
2. Cost is saved as there is no need to give advertisements about the vacancy.
3. It builds loyalty among employees towards the organization.
4. Training cost is saved as the employees already know about the nature of job to be performed.
5. It is a reliable and easy process.

Limitations of Internal Sources of Recruitment:

1. Young people with the knowledge of modern technology and innovative ideas do not get the chance.
2. The performance of the existing employees may not be as efficient as before.
3. It brings the morale down of employees who do not get promotion or selected.
4. It may lead to encouragement to favoritism.

5. It may not be always in the good interest of the organization.

External Sources of Recruitment:

1. Press advertisement:

A wide choice for selecting the appropriate candidate for the post is available through this source. It gives publicity to the vacant posts and the details about the job in the form of job description and job specification are made available to public in general.

2. Campus interviews:

It is the best possible method for companies to select students from various educational institutions. It is easy and economical. The company officials personally visit various institutes and select students eligible for a particular post through interviews. Students get a good opportunity to prove themselves and get selected for a good job.

3. Placement agencies:

A databank of candidates is sent to organizations for their selection purpose and agencies get commission in return.

4. Employment exchange:

People register themselves with government employment exchanges with their personal details. According to the needs and request of the organization, the candidates are sent for interviews.

5. Walk in interviews:

These interviews are declared by companies on the specific day and time and conducted for selection.

6. E-recruitment:

Various sites such as jobs.com, naukri.com, and monster.com are the available electronic sites on which candidates upload their resume and seek the jobs.

7. Competitors:

By offering better terms and conditions of service, the human resource managers try to get the employees working in the competitor's organization.

Benefits of External Sources of Recruitment:

1. New talents get the opportunity.
2. The best selection is possible as a large number of candidates apply for the job.
3. In case of unavailability of suitable candidates within the organization, it is better to select them from outside sources.

Limitations of External Sources of Recruitment:

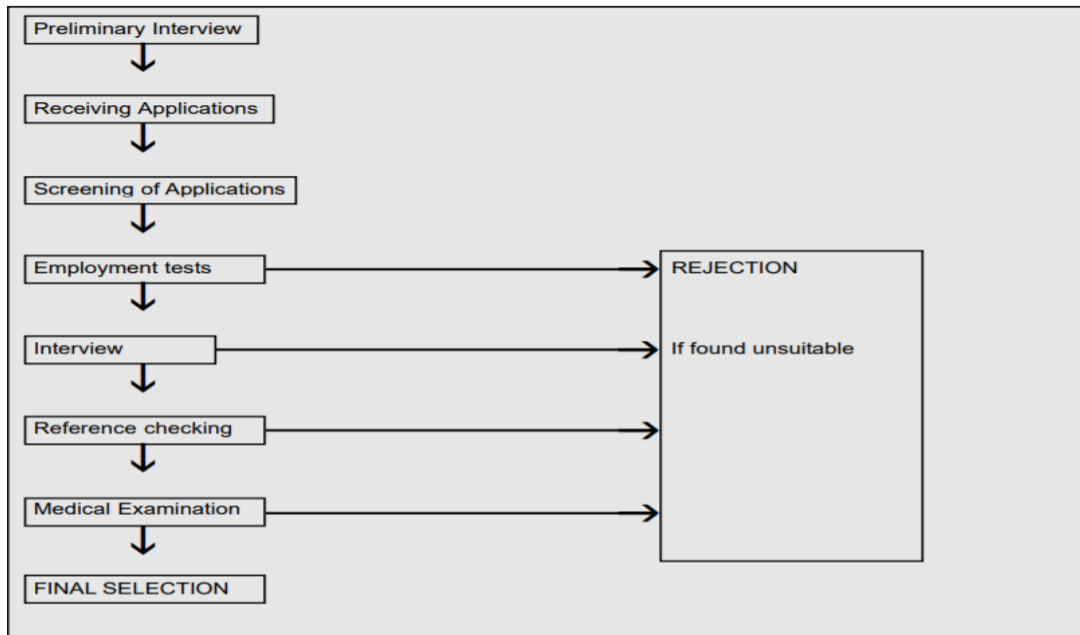
1. Skilled and ambitious employees may switch the job more frequently.
2. It gives a sense of insecurity among the existing candidates.
3. It increases the cost as advertisement is to be given through press and training facilities to be provided for new candidates.

SELECTION

Meaning:

The selection process can be defined as the process of selection and short listing of the right candidates with the necessary qualifications and skill set to fill the vacancies in an organisation. The selection process varies from industry to industry, company to company and even amongst departments of the same company.

Selection Process



Every organisation creates a selection process because they have their own requirements. Although, the main steps remain the same. So, let's understand in brief how the selection process works.

1. Preliminary Interview

This is a very general and basic interview conducted so as to eliminate the candidates who are completely unfit to work in the organisation. This leaves the organisation with a pool of potentially fit employees to fill their vacancies.

2. Receiving Applications

Potential employees apply for a job by sending applications to the organisation. The application gives the interviewers information about the candidates like their bio-data, work experience, hobbies and interests.

3. Screening Applications

Once the applications are received, they are screened by a special screening committee who choose candidates from the applications to call for an interview. Applicants may be selected on special criteria like qualifications, work experience etc.

4. Employment Tests

Before an organisation decides a suitable job for any individual, they have to gauge their talents and skills. This is done through various employment tests like intelligence tests, aptitude tests, proficiency tests, personality tests etc.

5. Employment Interview

The next step in the selection process is the employee interview. Employment interviews are done to identify a candidate's skill set and ability to work in an organisation in detail. Purpose of an employment interview is to find out the suitability of the candidate and to give him an idea about the work profile and what is expected of the potential employee. An employment interview is critical for the selection of the right people for the right jobs.

What are the Traditional methods of Appraisal?

6. Checking References

The person who gives the reference of a potential employee is also a very important source of information. The referee can provide info about the person's capabilities, experience in the previous companies and leadership and managerial skills. The information provided by the referee is meant to be kept confidential with the HR department.

7. Medical Examination

The medical exam is also a very important step in the selection process. Medical exams help the employers know if any of the potential candidates are physically and mentally fit to perform their duties in their jobs. A good system of medical checkups ensures that the employee standards of health are higher and there are fewer cases of absenteeism, accidents and employee turnover.

8. Final Selection and Appointment Letter

This is the final step in the selection process. After the candidate has successfully passed all written tests, interviews and medical examination, the employee is sent or emailed an appointment letter, confirming his selection to the job. The appointment letter contains all the details of the job like working hours, salary, leave allowance etc. Often, employees are hired on a conditional basis where they are hired permanently after the employees are satisfied with their performance.

IMPORTANCE OF THE SELECTION PROCESS

1. Proper selection and placement of employees lead to growth and development of the company. The company can similarly, only be as good as the capabilities of its employees.
2. The hiring of talented and skilled employees results in the swift achievement of company goals.
3. Industrial accidents will drastically reduce in numbers when the right technical staff is employed for the right jobs.
4. When people get jobs they are good at, it creates a sense of satisfaction with them and thus their work efficiency and quality improves.
5. People who are satisfied with their jobs often tend to have high morale and motivation to perform better.

INTERVIEWS

According to McFarland, “an interview is a purposeful two-way exchange of information between the participants. Both learn things of vital importance to their mutual decision, some intended and others not intended.”

TYPES OF INTERVIEWS

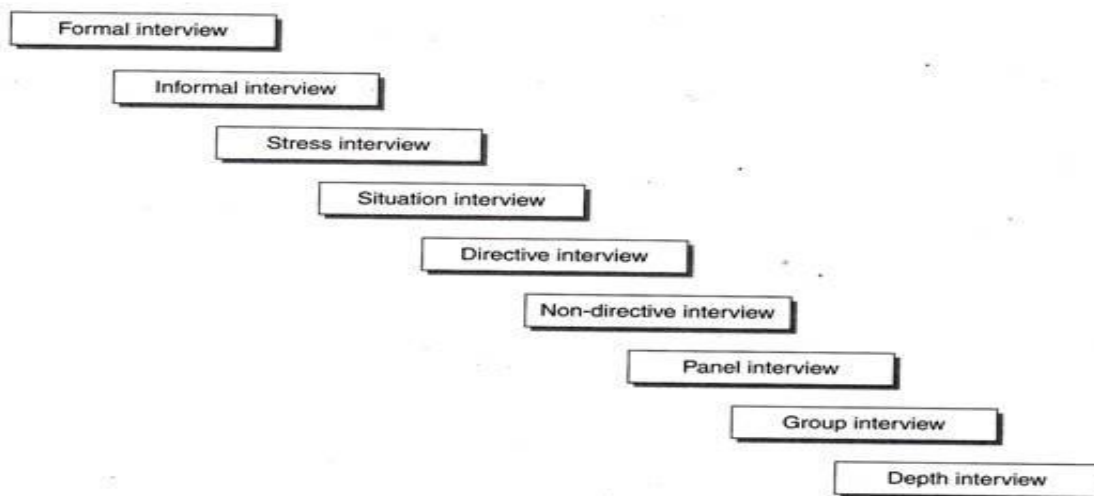


Fig. 5.8 Types of Interviews

Formal Interview: It is held in formal atmosphere with pre-decided and planned procedures and questions.

Informal interview: There is no specific procedure followed in this case. They are conducted at any place, and any types of questions can be asked to the candidate.

Stress Interview: It is conducted to evaluate the behaviour of the candidate under stressful conditions. How does a candidate react to stress? Whether they remain quiet and calm or become stressed, can be judged by creating different stressful conditions around, and the case with which they get out of it indicates their stress-handling capacity in future.

Situation Interview: An imaginary situation is told to the candidates and they are asked to respond to it.

Directive Interview: It is structured interview. A same set of questions is repeated for every candidate to make the comparison among the answers received from them.

Non-directive Interview: It is non-structured interview. There is no specific format, and any questions can be asked to candidates. Candidates are free to express themselves under this type.

Panel Interview: A selection committee appointed for interviewing candidates is called a panel. It generally consists of three or more members who collectively perform the task of selection. The final decision is taken with the consent of all panel members.

Group Interview: Candidates are supposed to form groups, and one group together will be interviewed at one time. It is a sort of group discussion. The person's ability to lead, their presence of mind and communication can be evaluated under this technique.

Depth Interview: All the minute details of important nature are asked to a candidate to have the extensive information about them.

TESTS

MEANING OF TEST

Employment testing is the practice of administering written, oral, or other tests as a means of determining the suitability or desirability of a job applicant.

TYPES OF TESTS

- 1. Written tests:** Written tests historically have served as significant input into the selection decisions. There has been renewed interest in written tests, since those that have been validated can aid significantly in the acquisition of efficient and effective workers.
- 2. Achievement tests:** To verify how he can achieve the target. Past experience can help the employees to satisfy the recruiters.
- 3. Intelligent tests:** The employee's intelligent level is determined here.
- 4. Performance tests:** Whether the employees perform well or not.
- 5. Honesty or polygraph (lie detector) tests:** The use of lie detector for verifying information on the application form can only be used for specific jobs, such as police officer, finance managers etc.
- 6. Aptitude tests:** Whether the employee is interested in the job or not can be determined by this test.
- 7. Psychological tests:** The psychology of the employee is determined. The employees who are psychologically strong and do not get nervous do well.
- 8. Graphology (Handwriting analysis) tests:** It has been said that an individual's handwriting can suggest the degree of energy, inhibitions, and spontaneity to be found in the writer, disclosing idiosyncrasies and elements of balance and control from which many personality-characteristics can be inferred.
- 9. Physical tests:** To examine whether the candidate is physically fit for the job.
- 10. 1G. personality tests:** Through these tests a mental and behavioral quality i.e. personality level is measures.
- 11. Trainability Tests:** For jobs in which training is necessary due to the skill level of the job applicants or the changing nature of the job, trainability tests are useful. Essentially, the goal is to determine the trainability of the candidate.
- 12. Work Sample:** Work Sample tests measure the ability to do something rather than the ability to know something. These tests may measure motor skills or verbal skills, Motor skills include physically manipulating various job related equipment and verbal skills include problem solving and language skills.

PLACEMENT OF PERSONNEL

According to Pigors and Myers “Placement is the determination of the job to which an accepted candidate is to be assigned and his assignment to that job. It is a matching of what the supervisor has reason to think he can do with the job demands. It is a matching of what he imposes (in strain, working conditions etc.) and what he offers (in the form of payroll, companionship with others, promotional possibilities etc.)

PRINCIPLES OF PLACEMENT

1. Man should be placed on the job according to the requirements of the job. The job should not be adjusted according to the qualifications or requirements of the man. Job first; man Next should be the principle of placement.
2. The job should be offered to the man according to his qualifications. The placement should neither be higher nor lower than the qualifications.
3. The employee should be made conversant with the working conditions prevailing in the industry and all things relating to the job. He should also be made aware of the penalties if he commits a wrong.
4. While introducing the job to the new employee, an effort should be made to develop a sense of loyalty and cooperation in him so that he may realise his responsibilities better towards the job and the organisation.
5. The placement should be ready before the joining date of the newly selected person.
6. The placement in the initial period may be temporary as changes are likely after the completion of training. The employee may be later transferred to the job where he can do justice.

PROBLEMS IN PLACEMENT:

1. Independent Jobs:

In independent jobs, non-overlapping routes or territories are allotted to each employee e.g. in field sales. In such situations, the activities of one employee have little bearing on the activities of other workers. Independent jobs do-not pose great problems in placement.

objectives of placement will be:

- (a) **To fill the job with people who have at least the minimum required qualifications.**
- (b) **People should be placed on the job that will make the best possible use of their talents, given available job and HR constraints.**

2. Dependent Jobs:

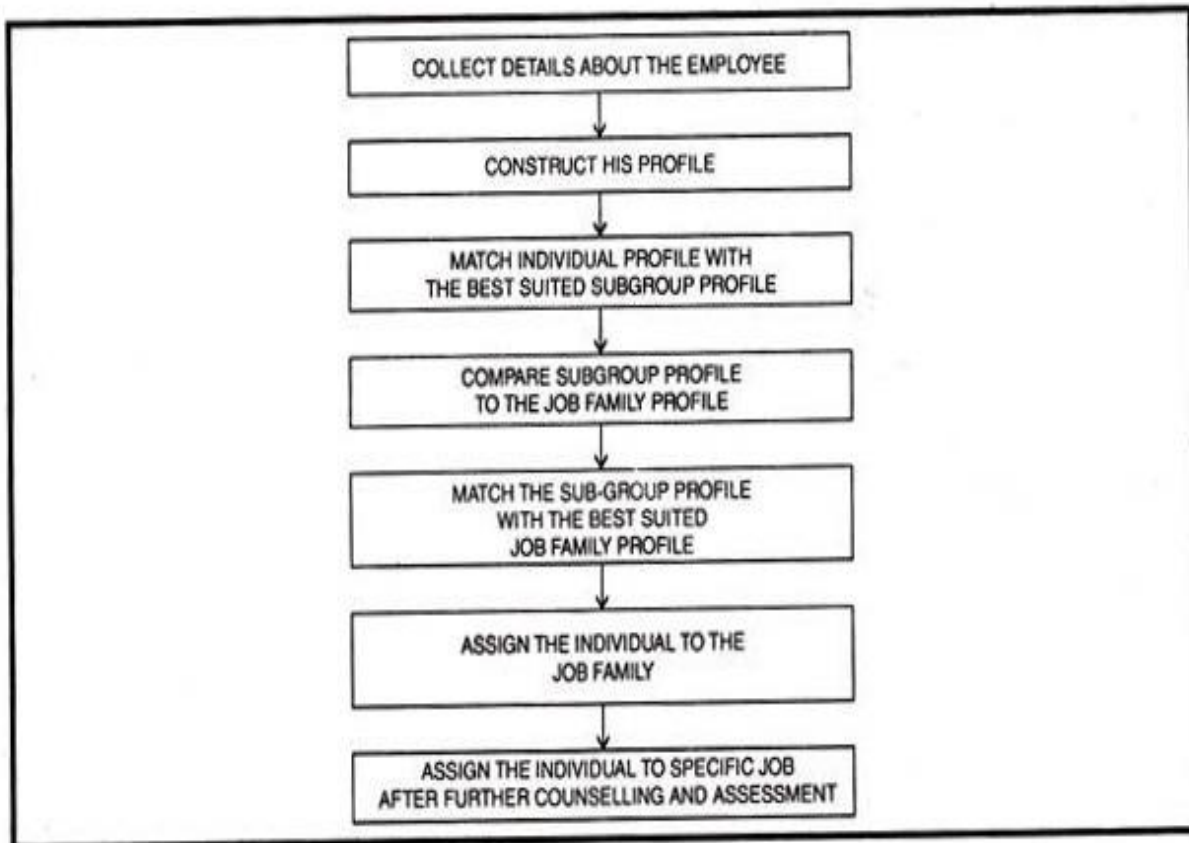
Dependent jobs may be sequential or pooled. In sequential jobs, the activities of one employee are dependent on the activities of a fellow employee. Assembly lines are the best example of such jobs.

In pooled jobs, there is high interdependence among jobs. The final output is the result of the contribution of all the workers.

In dependent jobs, an employee is placed in a specific sub group. While placing, care must be taken to match characteristics of the employee with that of the sub group. Because in such jobs, team work matters a lot.

HR specialists must use assessment classification model for placing newly hired employees.

In order to match individual with jobs, this, model suggests the following steps:



UNIT - 3

TRAINING

According to Edwin Flippo, 'training is the act of increasing the skills of an employee for doing a particular job'.

OBJECTIVES OF TRAINING

Increased Productivity : For any company, keeping the productivity at its peak is as important as getting in new customers for business. Since even a slightest of the disturbance can take the business to the brink of huge losses. Moreover, to tackle with the immensely growing competition in the target market, it is important for one to increase the productivity of its workers while reducing the cost of production of the products.

Quality Improvement : Improving the quality of the product is obviously one of the main objectives of training and development since it's not like those times when customers weren't such quality conscious.

Learning time Reduction : Keeping an eye on the learning capabilities of employees, and providing them the help which they need, can be highly beneficial in longer runs.

Safety First : Safety of anyone, either he is a worker, an officer or even a customer, is not something that can be taken lightly, especially in cases, where one knows that even a minute mistake can even lead to life threats.

Labour Turnover Reduction : No business can flourish well while it is regularly turning over its workforce since it is obvious that every new workforce will require some time to understand the type of work, its principle and safety precautions, which lead to decreased productivity.

Keeping yourself Updated with Technology : Computers and mobile phones are the miracles of the past but the world of today is far more advanced than that. It's time for latest technologies capable of connecting the world in just a blink of an eye.

Effective Management : One of the primary objectives of training and development process is to give rise to a new and improved management which is capable of handling the planning and control without any serious problem. With the knowledge and experience gathered through training, acting as the guiding light for this newly shaped management, it lets them handle the tough decisions and confusing realities thus opening the way for bigger and better opportunities for business for the cause of the brand.

TYPES OF TRAINING

1. Induction training: Also known as orientation training given for the new recruits in order to make them familiarize with the internal environment of an organization. It helps the employees

to understand the procedures, code of conduct, policies existing in that organization.

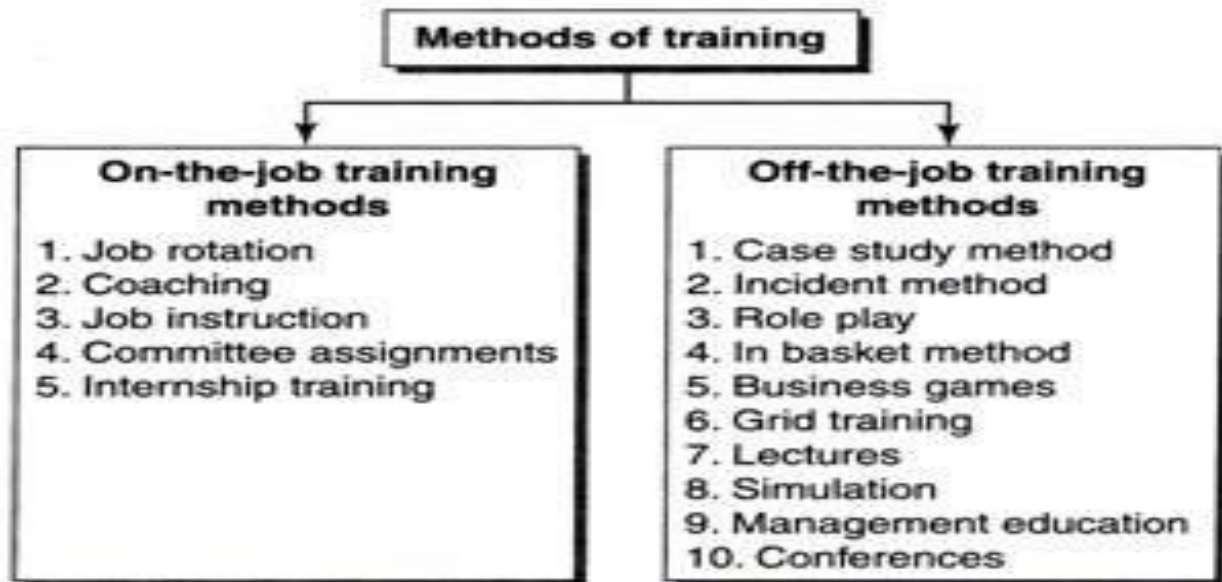
2. Job instruction training: This training provides an overview about the job and experienced trainers demonstrate the entire job. Additional training is offered to employees after evaluating their performance if necessary.

3. Vestibule training: It is the training on actual work to be done by an employee but conducted away from the work place.

4. Refresher training: This type of training is offered in order to incorporate the latest development in a particular field. This training is imparted to upgrade the skills of employees. This training can also be used for promoting an employee.

5. Apprenticeship training: An apprentice is a worker who spends a prescribed period of time under a supervisor.

METHODS OF TRAINING



1. On-the-job Training (OJT) Methods:

This is the most common method of training in which a trainee is placed on a specific job and taught the skills and knowledge necessary to perform it.

The advantages of OJT are as follows:

1. On the job method is a flexible method.

2. **It is a less expensive method.**
3. **The trainee is highly motivated and encouraged to learn.**
4. **Much arrangement for the training is not required.**

On-the-job training methods are as follows:

1. **Job rotation:** This training method involves movement of trainee from one job to another gain knowledge and experience from different job assignments. This method helps the trainee under-stand the problems of other employees.
2. **Coaching:** Under this method, the trainee is placed under a particular supervisor who functions as a coach in training and provides feedback to the trainee. Sometimes the trainee may not get an opportunity to express his ideas.
3. **Job instructions:** Also known as step-by-step training in which the trainer explains the way of doing the jobs to the trainee and in case of mistakes, corrects the trainee.
4. **Committee assignments:** A group of trainees are asked to solve a given organizational problem by discussing the problem. This helps to improve team work.
5. **Internship training:** Under this method, instructions through theoretical and practical aspects are provided to the trainees. Usually, students from the engineering and commerce colleges receive this type of training for a small stipend.

2. Off-the-job Methods:

On the job training methods have their own limitations, and in order to have the overall development of employee's off-the-job training can also be imparted. The methods of training which are adopted for the development of employees away from the field of the job are known as off-the-job methods.

1. **Case study method:** Usually case study deals with any problem confronted by a business which can be solved by an employee. The trainee is given an opportunity to analyse the case and come out with all possible solutions. This method can enhance analytic and critical thinking of an employee.
2. **Incident method:** Incidents are prepared on the basis of actual situations which happened in different organizations and each employee in the training group is asked to make decisions as if it is a real-life situation. Later on, the entire group discusses the incident and takes decisions related to the incident on the basis of individual and group decisions.
3. **Role play:** In this case also a problem situation is simulated asking the employee to assume the role of a particular person in the situation. The participant interacts with other participants

assuming different roles. The whole play will be recorded and trainee gets an opportunity to examine their own performance.

4. In-basket method: The employees are given information about an imaginary company, its activities and products, HR employed and all data related to the firm. The trainee (employee under training) has to make notes, delegate tasks and prepare schedules within a specified time. This can develop situational judgments and quick decision making skills of employees.

5. Business games: According to this method the trainees are divided into groups and each group has to discuss about various activities and functions of an imaginary organization. They will discuss and decide about various subjects like production, promotion, pricing etc. This gives result in co-operative decision making process.

6. Grid training: It is a continuous and phased programme lasting for six years. It includes phases of planning development, implementation and evaluation. The grid takes into consideration parameters like concern for people and concern for people.

7. Lectures: This will be a suitable method when the numbers of trainees are quite large. Lectures can be very much helpful in explaining the concepts and principles very clearly, and face to face interaction is very much possible.

8. Simulation: Under this method an imaginary situation is created and trainees are asked to act on it. For e.g., assuming the role of a marketing manager solving the marketing problems or creating a new strategy etc.

9. Management education: At present universities and management institutes gives great emphasis on management education. For e.g., Mumbai University has started bachelors and postgraduate degree in Management. Many management Institutes provide not only degrees but also hands on experience having collaboration with business concerns.

10. Conferences: A meeting of several people to discuss any subject is called conference. Each participant contributes by analyzing and discussing various issues related to the topic. Everyone can express their own view point.

IMPORTANCE OF EXECUTIVE DEVELOPMENT

The importance of the executive development can be analyzed by the following points.

Technological changes – Now a days the technology is getting change very rapidly. Many advanced and automatic machines have been bringing in present organization. So the managers should have high-quality working knowledge of the use of modern technological machines and equipment. It can be possible by developing the managers for the use of new opened machines

Increase in size of organizations - The size of the organizations is increasing day by day. With the increase in size the complexity is also increasing. So the executives or managers need to be developed to deal with the troubles of the bulky and complex organizations.

Lack of trained managers – There is scarcity of the trained managers and it is quite difficult to recruit the experienced and qualified managers. As a result it is very important to develop the brilliant employees by a disciplined development process.

Social and cultural changes - The social and cultural environment is getting changed rapidly. The managers must have brought up to date the knowledge of the sociology-cultural background to understand the people intentions and actions towards you.

METHODS OF EXECUTIVE DEVELOPMENT

1) On the job development or executive development: it means increasing the ability of the executives while performing their duties, to develop them in real work situation. It includes the following methods:

a) On the job coaching: under this method superior only guides his subordinate about various methods and skill required to do the job. Here the superior only guides his subordinate he gives his assistance whenever required. The main purpose of this type of training is not only to learn the necessary skills but to give them diversified knowledge to grow in future. The superior is responsible for subordinate's performance. So the superior must always provide the subordinate necessary assistance whenever required.

b) Understudy: under this method of development the trainee is prepared to fill the position of his superior. He in the near future will assume to do the duties of his superior when he leaves the job due to retirement, transfer or promotion.

c) Job rotation: here the executive is transferred from one job to another or from one plant to other. The trainee learns the significance of the management principles by transferring learning from one job to another. This method helps in injecting new ideas into different departments of the organization.

d) Committee assignment: under this method committee is constituted and assigned a subject to give recommendations. The committee makes a study of the problem and gives suggestions to the departmental head. It helps the trainees because every member of the committee gets a chance to learn from others.

2) Off the job development or executive development: here the executives get the training off the job means not when they are doing the job. It involves following methods:

a) Special courses: here the executives attend the special courses which are organized by the organization. Under this experts from professional institutions provide them the training. Now days it is becoming popular but it is difficult to say whether these courses improve the performance of the employees or not.

b) Specific readings: here the human resource development manager provides copies of specific articles published in the journals to the executives to improve their knowledge. The executives study such books or articles to enhance their knowledge.

c) Special projects: under this method the trainee is given a project related to the objective of the department. The project helps the trainee in acquiring the knowledge of the particular topic.

d) Conference training: here the organization conducts a group meeting. In which the executive learn from the others by comparing his opinion with others.

e) Sensitivity training: it is also known as T group training or laboratory training. It is conducted under controlled conditions. T group help in learning certain things, they help the participants to understand how group actually work. It helps in increasing the tolerance power of the individual and ability to understand others. T group generally sits together and discuss for hours where the members learn about their own behavior and behavior of others.

PROMOTION

Yoder (1972) defines promotion as a movement to a position in which responsibility and prestige are increased.

OBJECTIVES OF JOB PROMOTION

1. To provide an incentive for initiatives, and ambition,
2. To make the best use of skills and ability,
3. To reduce discontent and unrest,
4. To attract suitable and competent workers,
5. To suggest logical training for advancement,
6. To recognize outstanding achievements,
7. To improve morale, motivation and job satisfaction of employees.

CRITERIA OF PROMOTION

Attendance. An employee must be at work and punctual, at a minimum, to be considered for a promotion.

Performance. Does the employee meet their job responsibilities in a timely manner? Past performance reviews will indicate how an employee is doing in terms of their job responsibilities. If uncertain, an employee should seek feedback from their manager.

Attitude. Is the employee easy to work with? Though this is less quantifiable, it is essential. Does the employee work well with other employees and managers?

Leadership abilities. Does the employee show an aptitude for leadership? Do they learn quickly and adapt to new responsibilities? How do they respond to challenges? Do they accept and integrate feedback?

TYPES OF PROMOTION

1. **Seniority-based promotion :** Seniority denotes to the relative duration of service or length of service in the same post and in the same company. In some situations, the most senior employee gets the promotion. The reason is, there is a positive connection between service, talent and the knowledge obtained by the employees. It is based on the convention that the first should be given the first opportunity in all rights.
2. **Merit-based Promotion :** Merit refers to knowledge, skill, talent, competence, and capability as different from education, training, and past service record. Merit-based promotions occur when an employee is promoted because of superior performance in the current job.
3. **Seniority and Merit-based Promotion :** Seniority-merit should be the basis of promotions where merit can be objectively tested. Merit is a term which includes efficiency, skill, aptitude, etc. When a combination of merit and seniority is desirable, the play of discretion in the matter of selection cannot be overlooked. Sound management will pursue a policy of properly balancing these factors. The policy can derive strength if worked in consultation with the workers.

TRANSFER

According to Flippo “a transfer is a change in the job (accompanied by a change in the place of the job) of an employee without a change in responsibilities or remuneration”.

TYPES OF TRANSFER

(A) Production Transfers: In order to stabilise the employment in the company and avoidance of lay off, an employee may be transferred from one department to another department. Such a transfer is known as production transfer.

(B) Replacement Transfers: An employee with a long service may be transferred in some other department to replace a person with a shorter service.

(C) Versatility Transfers: The versatility transfers are made for the purpose of preparing the employees for production and replacement transfer. An employee is trained on different jobs so as adjust him on a different job when there is no work at his seat or job.

(D) Shift Transfers: In case of manufacturing concerns, there are normally three shifts. Usually these shifts are rotating. In case shift assignments are not rotating, an employee may be transferred from one shift to another shift.

(E) Remedial Transfers: In case an employee does not feel comfortable on his job, he may be transferred to some other job. His initial placement might be faulty; his health might have gone down; he may not be getting along with his supervisor or workers i.e., he might have developed personal friction with his boss or fellow employees.

(F) Miscellaneous Transfers: Transfers may also be classified as temporary or permanent transfers. If a transfer is from one department to another, it is known as departmental transfer. If a transfer is made within the department, such a transfer is known as sectional transfer.

CAREER PLANNING.

According to Schermerborn, Hunt, and Osborn, 'Career planning is a process of systematically matching career goals and individual capabilities with opportunities for their fulfillment'.

Features of Career Planning and Career Development:

1. It is an ongoing process.
2. It helps individuals develop skills required to fulfill different career roles.
3. It strengthens work-related activities in the organization.
4. It defines life, career, abilities, and interests of the employees.
5. It can also give professional directions, as they relate to career goals.

Objectives of Career Planning:

The major objectives of career planning are as follows:

1. To identify positive characteristics of the employees.
2. To develop awareness about each employee's uniqueness.
3. To respect feelings of other employees.
4. To attract talented employees to the organization.
5. To train employees towards team-building skills.
6. To create healthy ways of dealing with conflicts, emotions, and stress.

STEPS AND PROCESS OF CAREER PLANING



1. Self-Assessment: The first step in the career planning process is self-assessment to be done by the individual to understand his or her skills, areas of interest etc.

2. Research on Careers: The second step in the career planning process is to understand the career options, companies available, growth options in career etc.

3. Set Career Objectives: The next step in the career planning is to set short-term as well as long-term career goals for oneself, and to have a clear career path.

4. Learn & Improve Skills: The fourth step in the career planning process is to keep acquiring new skills and knowledge to be in line with career objectives and with industry requirements.

5. Preparation of CV: The next step in the career planning is to be fully prepared in terms of CV, cover letter, recommendations etc.

6. Job Search: The sixth step in the career planning process is to short-list the companies where an individual is seeking a job & start applying.

7. Revise Career Goals: The last step in the career planning process is to continuously evaluate the career goals and again do a self-assessment to build a strong career path.

Benefits of Career Planning:

1. Career planning ensures a constant supply of promotable employees.
 2. It helps in improving the loyalty of employees.
 3. Career planning encourages an employee's growth and development.
 4. It discourages the negative attitude of superiors who are interested in suppressing the growth of the subordinates.
 5. It ensures that senior management knows about the calibre and capacity of the employees who can move upwards.
 6. It can always create a team of employees prepared enough to meet any contingency.
 7. Career planning reduces labour turnover.
 8. Every organization prepares succession planning towards which career planning is the first step.
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UNIT - 4

WAGES

DEFINITION

A wage may be defined as the sum of money paid under contract by an employer to worker for services rendered.” **-Benham**

“Wages is the payment to labour for its assistance to production.” **-A.H. Hansen**

‘Wage rate is the price paid for the use of labour.’ **-Mc Connell**

TYPES OF WAGES:

1. Piece Wages: Piece wages are the wages paid according to the work done by the worker. To calculate the piece wages, the number of units produced by the worker are taken into consideration.

2. Time Wages: If the labourer is paid for his services according to time, it is called as time wages. For example, if the labour is paid Rs. 35 per day, it will be termed as time wage.

3. Cash Wages: Cash wages refer to the wages paid to the labour in terms of money. The salary paid to a worker is an instance of cash wages.

4. Wages in Kind: When the labourer is paid in terms of goods rather than cash, is called the wage in kind. These types of wages are popular in rural areas.

5. Contract Wages: Under this type, the wages are fixed in the beginning for complete work. For instance, if a contractor is told that he will be paid Rs. 25,000 for the construction of building, it will be termed as contract wages.

CONCEPTS OF WAGES:

A. Money Wages or Nominal Wages:

The total amount of money received by the labourer in the process of production is called the money wages or nominal wages.

B. Real Wages:

Real wages mean translation of money wages into real terms or in terms of commodities and services that money can buy. They refer to the advantages of worker’s occupation, i.e. the amount of the necessities, comforts and luxuries of life which the worker can command in return for his services.

Distinction between Real and Money Wages:

Adam Smith has distinguished the money wages and real wages on the following basis:

1. Relation with Price:

Keeping all other things constant, there exists inverse relation between real wages and price i.e. with the increase in price level real wages tend to decline and vice-versa.

2. Money and Real Wages:

Ceterus paribus, an increase in money wages will lead to an increase in real wages. It is due to the reason that with the increase in money wages, a labourer can purchase more goods and services than before.

3. Basic Difference:

According to Adam Smith, money wages are paid in terms of the quantity of money whereas real wages are paid in terms of necessities of life. Therefore money wages are expressed in terms of money and that of real wages in terms of goods and services.

Different methods of wage payment

Method # 1. Time Rate System:

It is a system where wages are paid on the basis of time spent by workers on the job. Time may be spent in hours, days, weeks or month, that is, wages may be paid per hour, per day, per week or per month. Total wages are determined by multiplying wages per unit of time with total time spent on the job.

Wages = Rate per unit of time x Total units of time spent

Merits of Time Rate System:

(a) Simple: It is simple to understand. Workers can easily understand it and, therefore, feel satisfied with the amount of wages they earn.

(b) Quality work: This is a good system for doing quality work. Workers are not in a hurry to finish their work. They work slowly and do not compromise with quality of work. It does not emphasise on quantity of output at the cost of quality.

(c) Reduction in costs: Quality work reduces wastage and cost of supervision. This reduces overall administrative costs. It also helps in predicting the labour costs as fixed amount is paid to employees. Number of hours per day are usually fixed and do not vary frequently.

(d) Promotes sense of unity: Workers working for same time get same pay. This promotes unity amongst them. Differences in pay are due to incremental scale or different positions.

(e) Sense of guarantee: Unless a worker is absent from work, this method assures wages irrespective of output. Even if he cannot produce the desired units of output, his wages are not affected if he works for fixed hours a day. There is, thus, stability of job. People know there will be gradual increase in rewards within the grades.

Limitations of Time Rate System:

(a) Affects production: As workers are paid on the basis of time, they do not hurry to complete their jobs. This negatively affects production.

(b) Affects efficiency: The system makes no distinction between efficient and inefficient workers. As efficient workers are paid the same amount (who produces more) as inefficient ones (who produce less) provided they work for same time, the efficient workers tend to slow their speed of work. They have no motivation to become more productive.

(c) Closed supervision: Workers tend to be slow and take time to complete the work. This increases control and supervision over their activities. The cost of supervision is, thus, high.

(d) High cost of labour: Labour cost fluctuates for same units of output. This affects cost of products and their prices (and thereby profits).

(e) Employer-employee relations: Employers want employees to complete the work fast but employees work slowly as they have no incentive to produce more. This strains employer – employee relations which affects organisational efficiency.

Method # 2. Piece Rate System:

It is a system where wages are paid on the basis of units (or output) produced. It does not matter how much time is spent on producing these units. The units may be expressed in terms of number or weight. Wages are, thus, related to work and not time. Total wages are determined by multiplying wages per unit of output with total number of units produced.

Wages = Rate per unit of output x Total number of units produced.

Forms of Piece Rate System:

(a) Straight piece wage: In this method, workers are paid according to the number of units produced by them.

(b) Group piece wage: If output is produced by a group of workers, wages are paid to the group as a whole. Share of each individual is determined on the basis of his contribution to the group effort. If, for example, a group of five workers earns Rs. 5,000 in a week and all the workers have equal share in group earnings (one-fifth), every worker will be paid Rs. 1,000 as his contribution to group effort.

Merits of Piece Rate System:

(a) High output: This system provides incentive to produce more. Employees are motivated to put extra efforts to earn more.

(b) Low cost: As workers work fast, cost of supervision is low. Cost of production is also spread over larger number of units. This reduces cost and increases profits.

(c) Efficient handling of machines: Employees work on machines carefully. They know that mishandling will slow the production and their wages.

(d) Rewards related to efforts: It distinguishes between efficient and inefficient workers. Those who produce more are paid more. Though everybody working on the same job does not receive the same income, there is fairness in the system of payment as rewards are related to production.

(e) Optimum utilisation of time: Workers do not work at leisure. They make best use of time to produce more in order to earn more.

(f) Easy acceptance to change: Workers accept changes in methods and techniques of production. New methods result in more production and more wages.

LIMITATIONS OF PIECE RATE SYSTEM:

(a) Low quality: In the effort to produce more (to earn more wages), workers may compromise with the quality and safety standards. They produce quantity rather than quality. Increase in output may increase the scrap rate. For this system to operate, thus, there should be quality control mechanism in the organisations.

(b) Mishandling of tools: Workers hurry with production processes. They want to produce more and in doing so, they may mishandle the tools and machines. This increases maintenance cost of tools and equipment's.

(c) Loss for beginners: Those who have just begun to work on jobs may not be able to produce as much as others can. Their wages are, thus, lower than others.

(d) Long-run perspective: Maximizing output puts physical and mental strain on workers. This can negatively affect their health which is bad for the organisation in the long- run.

(e) Overproduction: Continuous effort by employees to produce more may result in over production. Unless there is corresponding increase in sales, money gets blocked in stock.

(f) Discrimination amongst workers: Though efficient workers should be paid more than inefficient ones, this system develops conflicts amongst inefficient workers. This may result in inter-personal jealousy and rivalry and make the work place unfriendly.

(g) Suitability: This system is not suitable for all types of jobs. Output cannot be easily measured in certain jobs like service sector and managerial jobs. Spending time, effort and skills on the job are more important variables than quantity.

Time Rate and Piece Rate Systems of Wage Payment:

Time rate system

1. Wages are determined on the basis of time spent by employees on the job.
2. It does not distinguish between efficient and inefficient workers.
3. It is suitable where quality is important than quantity.
4. It requires supervision to ensure that workers do not waste time.
5. It ensures efficient handling of machines and tools.
6. Workers work at ease. They work slowly.
7. It results in high cost of production.

Piece rate system:

1. Wages are determined on the basis of units produced by employees.
2. It makes distinction between efficient and inefficient workers.
3. It is suitable where quantity is important than quality.
4. It requires supervision to ensure that workers do not overproduce goods.
5. It may result in inefficient handling of machines and tools.
6. Workers work fast. They strain themselves.
7. It results in low cost of production.

Method # 3. Salary plus Commission on Sales:

In this method of paying compensation, direct salary is paid and commission is paid in addition if the employee makes contribution above a certain amount. This method attempts to combine the merits of both salary and commission method and minimize their limitations. The employee is assigned a fixed quota to be achieved in a certain time period. Salary is paid for achieving the targeted quota and fixed percentage of output is paid as commission if output is above the target.

Merits:

This system has the following merits:

1. It provides security of return as employees are sure to get a fixed amount of salary.
2. It encourages them to work more as they get commission if they achieve more than the target.
3. It provides satisfaction to employees as it considers efficiency. Those who work more earn more.
4. Incentives are linked to targets as well as quality of performance as desired by the superiors. Linking pay to performance that can be measured is a fair system of rewards rather than the one which does not distinguish between the high and low performers.
5. It saves operational costs as organisations targets to reward only those who perform well.
6. High performers are motivated to work as they know commission is related to productive effort and low achievement is discouraged.
7. It promotes result-oriented culture in the organisation with focus on activities that are valued by the organisation.

Limitations:

It suffers from the following limitations:

1. Since a fixed amount of salary is paid to all the employees, those who are not attracted by extra commission do not work to increase the output.
2. It increases administrative work for the company as separate record has to be maintained for each employee.
3. The focus is more on individual performance than group performance which is essential to deal with complex and interdependent business situations.
4. This system may promote resentment by trade unions. Management and union may have conflicts and unions object to individualistic nature of rewards rather than the spirit of collective bargaining.

Method # 4. Profit Sharing System: Under this system of payment, employees share profits of the company, besides a fixed salary. It is adopted by companies that produce high value goods with high expenses and high profit margins. Employees are given a share in profits rather than commission on direct output. They attempt to reduce the expenses so that profit margins increase and their remuneration also increases.

Method # 5. Non-Financial System of Compensation: Under this system, employees do not get financial incentives for promoting the targets. They are given incentives by way of promotion or fringe benefits like credit card, club facility car, holiday entitlement, health insurance, flexible working hours, loan subsidies etc.

INCENTIVE SCHEMES

The Incentive Schemes are the programs designed to encourage and motivate workmen for higher efficiency and greater output. The Incentives are the monetary rewards given to the workmen in recognition of their achievement of specific results during a specified time period.

1. Individual Incentive (PBR) Schemes:

Taylor's Differential Piece Rate Plan:

- This plan was developed by F. W. Taylor, the father of scientific management.
- Under this plan, Taylor prescribed two piece work rates.
- One, a higher wage rate for those who reach the standard work. Second, a lower wage rate whose performance is below the standard.
- The standard work is determined on the basis of time and motion studies.
- This wage plan encourages and rewards the employees who are efficient by giving them wages at a higher rate.
- At the same time, the plan penalizes those who are slow performers by paying them at a low wage rate.

Halsey Premium Plan:

- This plan, originated by F. A. Halsey, an American engineer, is a combination of the time and the piece wage in a modified form.
- Under this plan, a guaranteed wage based on past experience is determined.
- If a worker saves time, he gets 50% of wages for time saved (called premium) in addition to normal wages.
- It is optional for the worker to work on the premium or not. Thus, this plan also provides incentive to efficient workers.

Rowan Premium Plan:

- This plan was developed by D. Rowan in 1901.
- This plan, to a large extent IS similar to that of Halsey Premium Plan.
- The only difference is in regard to the determination of the premium.
- Unlike a fixed percentage in case of Halsey plan, it considers premium on the basis of the proportion which the time saved bears to the standard time.

Emersson Efficiency Plan:

- Under this scheme, both standard work and day wage are fixed.
- Bonus is paid on the basis of worker's efficiency.
- A worker becomes entitled to get bonus only when his/her efficiency reaches to 67%.
- The rate of bonus goes on increasing till he achieves 100% efficiency.

- Above 100% efficiency, bonus will be 20% of the basic rate plus 1% for each 1% increase in efficiency.
- In this way, at 120% efficiency, a worker receives a bonus of 40% and at 140% efficiency worker gets 60% of the day wage as bonus.

Gantt Task and Bonus Plan:

- This plan is devised by H. L. Gantt.
- This plan combines time, piece wage and bonus. Standard time, piece wage and high rate per piece are determined.
- A worker who cannot complete standard work within standard time is paid only the minimum guaranteed wage.
- A worker performing up to the standard level of work gets time wage plus a bonus @ 20% of normal time wage.
- If the worker exceeds the standard, he is paid a higher piece rate but there is no bonus.
- The above mentioned various incentive schemes indicate that the incentive may vary along with variation in earning with changes in performance or output.

Types of various incentive schemes (PBR) as follows:

1. Incentives in the same proportion as performance.
2. Incentives varying proportionately less than performance.
3. Incentives varying proportionately more than performance
4. Incentives varying in proportions that varies with levels of performance.

2. Group Incentive Schemes:

The incentive schemes can be applied on a group basis also. Group incentive schemes are appropriate where jobs are interdependent. It is difficult to meaningfully measure individual performance and group pressures affect the performance of the members of the group. The chief group incentive schemes are discussed here.

Profit-sharing:

The concept of profit-sharing emerged towards the end of the nineteenth century. Profit-sharing, as the name itself suggests, is sharing of profit of organisation among employees. The International Co-operative Congress” held in Paris in 1889 considered the issue of profit-sharing and defined it as “an agreement (formal or informal) freely entered into by which an employee receives a share fixed in advance of the profits”.

FRINGE BENEFITS

MEANING

Fringe benefits are the additional benefits offered to an employee, above the stated salary for the performance of a specific service. Some fringe benefits such as social security and health insurance are required by law, while others are voluntarily provided by the employer.

Examples of optional fringe benefits include free breakfast and lunch, gym membership, employee stock options, transportation benefits, retirement planning services, childcare, education assistance, etc.

TYPES OF FRINGE BENEFITS

Fringe benefits can be categorized into two categories. Some benefits are required by law and others are provided at the employer's discretion.

1. Fringe benefits required by law

The mandatory fringe benefits are intended to provide employees with medical care, mitigate them from economic hardships in the event they lose employment, and provide them with retirement income to sustain them during retirement. The following are some of the mandatory fringe benefits that employers are required to provide:

Health insurance: This fringe benefit is contained in the Patient Protection and Affordable Care Act. It requires businesses that employ more than 50 people to provide healthcare plans, and employees are required to have health insurance coverage. The health care plans cover visits to primary care physicians, specialist doctors, and emergency care.

Unemployment insurance: The Federal Unemployment Tax Act (FUTA) requires employers to pay a federal and state unemployment tax to the Department of Labor, which provides wages, training, and career guidance to employees who become unemployed due to no fault of their own. Such benefits are meant to provide brief monetary assistance to unemployed citizens who meet the requirements of the act.

Medical leave: Businesses that employ over 50 employees are required by law to provide family and medical leave to an employee who has worked for over one year in the company. The medical leave is unpaid, protected, and can last up to 12 weeks.

Worker's compensation: The worker's compensation benefit is administered by the Department of Labor to federal workers who are injured at their workstation or acquire an occupational disease. Employees are provided with medical treatment, wage replacement benefits, rehabilitation, and other benefits. The compensation requirements vary by state, and injured employees should contact their state worker's compensation board.

2. Fringe benefits not required by law

The following benefits are provided at the employer's discretion. On the side of the employer, most of these benefits are taxable, but with certain exceptions. Examples of these fringe benefits include:

- Stock options
 - Disability insurance
 - Paid holidays
 - Education reduction
 - Retirement planning services
 - Life insurance
 - Paid time off
 - Commuter benefits
 - Achievement awards
 - Fitness training
 - Employee discounts
 - Meal plans
-

UNIT - 5

PERFORMANCE EVALUATION

Performance Evaluation is defined as a formal and productive procedure to measure an employee's work and results based on their job responsibilities.

WHAT IS THE PURPOSE OF PERFORMANCE EVALUATION?

1. Periodic performance evaluation is an employee's report card from his/her manager that acknowledges the work he/she has done in a specific time period and the scope for improvement.
2. An employer can provide consistent feedback on an employee's strengths and strive for improvement in the areas that the employees need to work on.
3. It is an integral platform for both, the employee and employer, to attain a common ground on what both think is befitting a quality performance. This helps in improving communication which usually leads to better and more accurate team metrics and thus, improved performance results.
4. The goal of this entire process of performance evaluation is to improve the way a team or an organization functions, to achieve higher levels of customer satisfaction.
5. A manager should evaluate his/her team member regularly and not just once a year. This way, the team can avert new and unexpected problems with constant work being done to improve competence and efficiency.
6. An organization's management can conduct frequent employee training and skill development sessions on the basis of the development areas recognized after a performance evaluation session.
7. The management can effectively manage the team and conduct productive resource allocation after evaluating the goals and preset standards of performance.
8. Regular performance evaluation can help determine the scope of growth in an employee's career and the level of motivation with which he/she contributes towards the success of an organization.
9. Performance evaluation lets an employee understand where does he/she stand as compared to others in the organization.

PERFORMANCE EVALUATION PROCESS

Step 1: In most organizations, a performance evaluation process states that an employee's performance is tracked every three and six months, provided, the employee has worked with the organization continually for that tenure. The HR department can send across an online survey for the employees to fill out regarding their satisfaction and engagement levels.

Step 2: The employee's immediate manager will decide his/her performance quality after evaluating the yearly performance, conducting an employee engagement survey and eventually having a face-to-face meeting.

Step 3: The feedback received from the online employee satisfaction survey can be kept anonymous. This feedback can be analyzed in real-time from a centralized dashboard. On the basis of the analysis, the manager can prepare further questions for the face-to-face performance evaluation meeting.

PERFORMANCE EVALUATION METHODS

1. Self-Evaluation: This is an amazing method to get started with employee reviews. Self-evaluation is when an employee is expected to rate themselves using multiple-choice or open-ended questions, by keeping in mind some evaluation criteria. After conducting self-evaluation, the management has an opportunity to fairly assess an employee by considering his/her thoughts about their performance.

2. 360-degree Employee Evaluation: In this performance evaluation method, an employee is rated in terms of the advancements made by him/her within the team as well as with external teams. Inputs from supervisors of different departments are considered along with evaluation done by direct supervisors and immediate peers too. Thus, in 360 degree feedback, each employee is rated for the job done according to their job description as well the work done by them in association with other teams.

3. Graphics Rating Scale: This is one of the most widely used performance evaluation methods by supervisors. Numeric or text values corresponding to values from poor to excellent can be used in this scale and parallel evaluation of multiple team members can be conducted using this graphical scale. Employee skills, expertise, conduct and other qualities, in comparison to others in a team, can be evaluated

4. Developmental Checklists: Every organization has a certain roadmap for each employee for their developments as well as exhibited behavior. This method of maintaining a checklist for development is one of the most straightforward performance evaluation methods. This checklist has several dichotomous questions, answers of which need to be positive. If not, then the employee requires some developmental training in the areas where he/she needs improvement.

5. Demanding Events Checklist: There are events in each employee's career with an organization where he/she has to exhibit immense skill and expertise. An intelligent manager always tends to keep a demanding events list where employees show good or bad qualities.

IMPORTANCE OF PERFORMANCE EVALUATION

Promotion : Performance evaluations provide a look at how and what a worker is doing compared with earlier reviews of her skill sets, knowledge, initiative and participation in the company vision. This record reflects whether an employee is prepared to assume greater responsibility.

Compensation : Employers want to feel they're getting their money's worth just as much as workers want to see fatter paychecks with each year of loyal service. While government jobs

often have step increases for designated classifications, as well as across-the-board raises predicated on state budgets and aggressive union negotiations, private employers base compensation decisions on individual merit and the company's financial performance.

Training Needs : If an employee is struggling with tasks or lagging behind quotas, the problem could be the quality of training he received. According to HR Hero, an online employment law resource, ignoring skill deficiencies can jeopardize a company's attainment of its goals. An evaluation that reveals the need for remedial instruction also defines a time line to revisit the worker's progress.

Disciplinary Action : In a perfect world, every employee would be hard-working, reliable, honest and enthusiastic to excel. Not everyone, however, may be as wedded to your own expectations of commitment and success

Career Goals : Although an evaluation's primary goal is to gauge whether a worker is a good fit for that company, it serves a larger purpose of helping individuals determine if they've chosen the right career paths. The feedback a worker receives regarding strengths and weaknesses is invaluable in charting a future course in which the company and worker can put her interests and talents to the best use.

METHODS OF PERFORMANCE EVALUATION

Self-Evaluations and Reviews : The self-evaluation is often effective when teamed up with a performance review. The employee is asked to judge his own performance by using a form that requires multiple choice answers, essay-type answers or a combination of the two.

360 Degree Performance Evaluation : An employee's development consists of progress made within her own department, and the effectiveness of her interactions with the rest of the company. A 360 degree performance evaluation is one that involves input from managers in other departments that the employee works with on a regular basis. Employees are evaluated on their effectiveness within their own department based on their job descriptions, and they are also evaluated based on how effectively they work with the rest of the company.

Graphic Scale of Performance : The graphic scale of performance evaluation is commonly used by managers. The employee's performance in various areas of his job duties is graded on a scale. The value in a graphic evaluation system is that it allows you to compare the performance of several employees simultaneously. The system can be done with numbers or letters, and it usually consists of a range, running from poor to excellent.

Checklist Evaluation Method : A checklist evaluation method is simplistic but effective. It consists of a series of performance questions that are traditionally given the option of yes or no. An excessive number of negative responses indicates developmental training is needed for that

employee. The checklist can be used as a quick way to identify employees that have deficiencies in too many performance areas.

Critical Incident Review : Keep an ongoing log throughout the year of an employee's performance, and then use that information to fuel discussion during the employee performance review. This method of keeping a list of good and bad incidents of employee performance is known as critical incident evaluation.

DISCIPLINE AND DISCIPLINARY PROCEDURE

Definition of discipline

According to Dale Beach, "discipline regulates (by reward or punishment) the human behavior in an organization."

STEPS OF DISCIPLINARY PROCEDURE/ PROCESS

Steps 1:	Preliminary investigation	Determine the validity and gravity of misconduct.
Steps 2:	Issue of charge sheet	Issue of notice of charge describing the misconduct and person responsible for it and demanding an explanation for the misconduct.
		The employee receiving the charge sheet may
Steps 3	Consideration of explanation	Submit an explanation accepting the charges
		Submit an explanation rejecting the charges
		May fail to provide an explanation
		May apply for an extension
		Management after carefully considering the explanation of the employee proceeds with the enquiry.
Steps 4	Notice of enquiry	An advance notice indicating the date, time, venue, name of investigating officer is given to the accused demanding oral and documented evidence and witnesses if any to prove his innocence
Steps 5	Suspension with or without pay	Depending upon the gravity of misconduct the worker may or may not be suspended from work until the disciplinary process is completed.
Steps 6	Conduct of domestic enquiry	An internal hearing is conducted by the

		employer to ascertain the guilt and look for a just cause to punish the employee.
Steps 7	Recording of findings by the enquiry officer	The enquiry officer submits his findings to the management which includes
		. procedure of enquiry
		Findings
		The parties involved
		Basis of findings
		Documents produced and examined
		Charges made and explanations given
Steps 8	Awarding of punishment	Charges proved and not proved
		The final decision is taken by the management. The punishment of the employee is based on his/her past record in the organization and gravity of his misconduct.
Steps 9	Communication of punishment	The final decision is communicated to the accused through a letter containing
		Reference to charge sheet
		Reference to enquiry
		Reference to findings
		Final decision/punishment
		Effective date of punishment

GRIEVANCES

Grievance means any type of dissatisfaction or discontentment's arising out of factors related to an employee's job which he thinks are unfair

FEATURES OF GRIEVANCE:

1. A grievance refers to any form of discontent or dissatisfaction with any aspect of the organization.
2. The dissatisfaction must arise out of employment and not due to personal or family problems.
3. The discontent can arise out of real or imaginary reasons. When employees feel that injustice has been done to them, they have a grievance. The reason for such a feeling may be valid or invalid, legitimate or irrational, justifiable or ridiculous.
4. The discontent may be voiced or unvoiced, but it must find expression in some form. However, discontent per se is not a grievance. Initially, the employee may complain orally or in writing. If this is not looked into promptly, the employee feels a sense of lack of justice. Now, the discontent grows and takes the shape of a grievance.

5. Broadly speaking, thus, a grievance is traceable to be perceived as non-fulfillment of one's expectations from the organization.

CAUSES OF GRIEVANCES:

1. Economic: Employees may demand for individual wage adjustments. They may feel that they are paid less when compared to others. For example, late bonus, payments, adjustments to overtime pay, perceived inequalities in treatment, claims for equal pay, and appeals against performance-related pay awards.

2. Work environment: It may be undesirable or unsatisfactory conditions of work. For example, light, space, heat, or poor physical conditions of workplace, defective tools and equipment, poor quality of material, unfair rules, and lack of recognition.

3. Supervision: It may be objections to the general methods of supervision related to the attitudes of the supervisor towards the employee such as perceived notions of bias, favouritism, nepotism, caste affiliations and regional feelings.

4. Organizational change: Any change in the organizational policies can result in grievances. For example, the implementation of revised company policies or new working practices.

5. Employee relations: Employees are unable to adjust with their colleagues, suffer from feelings of neglect and victimization and become an object of ridicule and humiliation, or other inter-employee disputes.

6. Miscellaneous: These may be issues relating to certain violations in respect of promotions, safety methods, transfer, disciplinary rules, fines, granting leaves, medical facilities, etc.

EFFECTS OF GRIEVANCE:

Grievances, if not identified and redressed, may adversely affect workers, managers, and the organization.

The effects are the following:

1. On the production:

- a. Low quality of production
- b. Low productivity
- c. Increase in the wastage of material, spoilage/leakage of machinery
- d. Increase in the cost of production per unit

2. On the employees:

- a. Increase in the rate of absenteeism and turnover

- b. Reduction in the level of commitment, sincerity and punctuality
- c. Increase in the incidence of accidents
- d. Reduction in the level of employee morale.

3. On the managers:

- a. Strained superior-subordinate relations.
- b. Increase in the degree of supervision and control.
- c. Increase in indiscipline cases
- d. Increase in unrest and thereby machinery to maintain industrial peace

NEED FOR A FORMAL PROCEDURE TO HANDLE GRIEVANCES:

A grievance handling system serves as an outlet for employee frustrations, discontents, and gripes like a pressure release valve on a steam boiler. Employees do not have to keep their frustrations bottled up until eventually discontent causes explosion.

The existence of an effective grievance procedure reduces the need of arbitrary action by supervisors because supervisors know that the employees are able to protect such behavior and make protests to be heard by higher management. The very fact that employees have a right to be heard and are actually heard helps to improve morale. In view of all these, every organization should have a clear-cut procedure for grievance handling.

STEPS IN GRIEVANCE HANDLING.

- 1. Steps in Grievance Handling Procedure:** At any stage of the grievance machinery, the dispute must be handled by some members of the management. In grievance redressed, responsibility lies largely with the management. And, grievances should be settled promptly at the first stage itself. The following steps will provide a measure of guidance to the manager dealing with grievances.

i. Acknowledge Dissatisfaction:

Managerial/supervisory attitude to grievances is important. They should focus attention on grievances, not turn away from them. Ignorance is not bliss, it is the bane of industrial conflict. Condescending attitude on the part of supervisors and managers would aggravate the problem.

ii. Define the Problem: Instead of trying to deal with a vague feeling of discontent, the problem should be defined properly. Sometime the wrong complaint is given. By effective listening, one can make sure that a true complaint is voiced.

iii. Get the Facts: Facts should be separated from fiction. Though grievances result in hurt feelings, the effort should be to get the facts behind the feelings. There is need for a proper record of each grievance.

iv. Analyse and Decide: Decisions on each of the grievances will have a precedent effect. While no time should be lost in dealing with them, it is no excuse to be slipshod about it. Grievance settlements provide opportunities for managements to correct themselves, and thereby come closer to the employees.

v. Follow up: Decisions taken must be followed up earnestly. They should be promptly communicated to the employee concerned. If a decision is favourable to the employee, his immediate boss should have the privilege of communicating the same.

2. Need for a Grievance Handling Procedure:

Grievance procedure is necessary for any organisation due to the following reasons:

(i) Most grievances seriously disturb the employees. This may affect their morale, productivity and their willingness to cooperate with the organisation. If an explosive situation develops, this can be promptly attended to if a grievance handling procedure is already in existence.

(ii) It is not possible that all the complaints of the employees would be settled by first-time supervisors, for these supervisors may not have had a proper training for the purpose, and they may lack authority. Moreover, there may be personality conflicts and other causes as well.

(iii) It serves as a check on the arbitrary actions of the management because supervisors know that employees are likely to see to it that their protest does reach the higher management.

(iv) It serves as an outlet for employee gripes, discontent and frustrations. It acts like a pressure valve on a steam boiler. The employees are entitled to legislative, executive and judicial protection and they get this protection from the grievance redressal procedure, which also acts as a means of upward communication.

3. Key Features of a Good Grievance Handling Procedure:

Torrington & Hall refer to four key features of a grievance handling procedure, which are discussed below:

(a) Fairness: Fairness is needed not only to be just but also to keep the procedure viable, if employees develop the belief that the procedure is only a sham, then its value will be lost, and other means sought to deal with the grievances.

(b) Facilities for Representation: Representation, e.g., by a shop steward, can be of help to the individual employee who lacks the confidence or experience to take on the management single-handedly.

(c) Procedural Steps: Steps should be limited to three. There is no value in having more just because there are more levels in the management hierarchy. This will only lengthen the time taken to deal with matter and will soon bring the procedure into disrepute.

(d) Promptness: Promptness is needed to avoid the bitterness and frustration that can come from delay. When an employee 'goes into procedure' it is like pulling the communication cord in the train. The action is not taken lightly and it is in anticipation of a swift resolution.

4. Basic Elements of a Grievance Handling Procedure:

The basic elements of a grievance redressal procedure are:

(i) The existence of a sound channel through which a grievance may pass for redressal if the previous stage or channel has been found to be inadequate, unsatisfactory or unacceptable. This stage may comprise three, four or five sub-stages.

(ii) The procedure should be simple, definite and prompt, for any complexity or vagueness or delay may lead to an aggravation of the dissatisfaction of the aggrieved employee.

(iii) The steps in handling a grievance should be clearly defined.

These should comprise:

(a) Receiving and defining the nature of the grievance:

(b) Getting at the relevant facts, about the grievance;

(c) Analysing the facts, after taking into consideration the economic, social, psychological and legal issues involved in them;

(d) Taking an appropriate decision after a careful consideration of all the facts; and

(e) Communicating the decisions, to the aggrieved employee.

(iv) Whatever the decision, it should be followed up in order that the reaction to the decision may be known and in order to determine whether the issue has been closed or not.

5. Errors in the Grievance Handling Procedure:

- I. Stopping too soon, the search for facts;
- II. Expressing the opinion of the management before all the pertinent facts have been uncovered and evaluated;
- III. Failing to maintain proper records;
- IV. Resorting to an executive fiat instead of dispassionately discussing the facts of the grievance of the employee;
- V. Communicating the decision to the grievance in an improper way; and
- VI. Taking a wrong or hasty decision, which the facts or circumstances of the case do not justify.

6. Objectives of a Grievance Handling Procedure:

Jackson (2000) lays down the objectives of a grievance handling procedure as follows:

1. To enable the employee to air his/her grievance.
2. To clarify the nature of the grievance.
3. To investigate the reasons for dissatisfaction.
4. To obtain, where possible, a speedy resolution to the problem.
5. To take appropriate actions and ensure that promises are kept.
6. To inform the employee of his or her right to take the grievance to the next stage of the procedure, in the event of an unsuccessful resolution.
7. Benefits of a Grievance Handling Procedure: